Cartier Resources Inc.

(an exploration company)

Interim condensed financial statements
(Unaudited)

Third quarter ended September 30, 2017

The interim condensed financial statements for the period ended September 30, 2017 have not been examined by the Company's independent auditor.

Cartier Resources Inc.
(an exploration company)

Interim Condensed Statements of Financial Position

(In Canadian $)

	September 30, 2017	December 31, 2016
	$	$
	(Unaudited)	(Audited)
Assets		
Current		
Cash and cash equivalents (note 3)	**11,050,820**	5,426,970
Cash reserved for exploration (note 3)	**1,925,720**	138,385
Other short-term financial assets (note 4)	**7,900**	22,713
Receivables (note 5)	**156,651**	103,091
Prepaid expenses	**42,956**	6,498
	13,184,047	5,697,657
Non-current		
Property, plant and equipment (note 6)	**7,568**	10,150
Exploration assets and deferred exploration costs (note 8)	**11,520,452**	10,072,762
TOTAL ASSETS	**24,712,067**	15,780,569
Liabilities		
Current		
Accounts payables and accrued liabilities	**331,891**	309,413
Liability related to flow-through shares	**427,938**	29,654
	759,829	339,067
Non-current		
Deferred income and mining taxes	**2,541,140**	2,072,624
Liability component of the convertible debenture (note 9)	**-**	212,110
TOTAL LIABILITIES	**3,300,969**	2,623,801
EQUITY		
Share capital (note 10)	**31,836,143**	22,260,938
Warrants	**2,351,835**	2,411,881
Contributed surplus	**2,052,905**	1,580,662
Equity component of the convertible debenture (note 9)	**-**	82,971
Deficit	**(14,831,760)**	(13,195,484)
Accumulated other comprehensive loss	**1,975**	15,800
TOTAL EQUITY	**21,411,098**	13,156,768
TOTAL LIABILITIES AND EQUITY	**24,712,067**	15,780,569

Basis of preparation and going concern (note 1)
Contingencies and commitments (note 15)

The accompanying notes are an integral part of these interim condensed financial statements.

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director   (Signed) Daniel Massé, Director

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Deferred Exploration Costs

(Unaudited)

(In Canadian $)

	Three-month periods ended		Nine-month periods ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	$	$	**$**	$
Balance - Beginning of period	**9,716,327**	8,324,905	**9,000,173**	8,131,224
Expenses incurred during the period				
Geology	**147,988**	85,434	**356,727**	219,956
Drilling	**417,416**	5,655	**1,317,078**	19,240
Exploration office expenses	**853**	1,977	**5,537**	5,070
Surveying and access roads	**72,862**	39,969	**118,033**	39,969
Core shack rental and maintenance	**4,873**	9,235	**12,601**	30,924
Duties, taxes and permits	**3,615**	2,836	**6,635**	9,301
Depreciation of exploration equipment	**739**	2,944	**4,272**	12,178
Share-based payments-employees (note 11)	**4,075**	5,179	**29,733**	29,207
	652,421	153,229	**1,850,616**	365,845
Write-off of deferred exploration costs	**-**	-	**(448,510)**	-
Tax credits	**-**	-	**(33,531)**	(18,935)
Net costs for the period	**652,421**	153,229	**1,368,575**	346,910
Balance - End of period	**10,368,748**	8,478,134	**10,368,748**	8,478,134

The accompanying notes are an integral part of these interim condensed financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of changes in equity

(Unaudited)

(In Canadian $)

	Number of shares	Share capital	Warrants	Contributed surplus	Equity component of the convertible debenture	Deficit	Accumulated other comprehensive (loss)	Total equity
		$	$	$		$	$	$
BALANCE AS AT DECEMBER 31, 2016	**112,641,129**	**22,260,938**	**2,411,881**	**1,580,662**	**82,971**	**(13,195,484)**	**15,800**	**13,156,768**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**(1,636,276)**	**-**	**(1,636,276)**
Change in fair value of other short-term financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**(14,813)**	**(14,813)**
Reclassification to statements of loss	**-**	**-**	**-**	**-**	**-**	**-**	**988**	**988**
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(1,636,276)**	**(13,825)**	**(1,650,101)**
Issuance of shares net of issue costs	**37,623,284**	**8,008,916**	**-**	**-**	**-**	**-**	**-**	**8,008,916**
Effect of share-based payments	**-**	**-**	**-**	**476,622**	**-**	**-**	**-**	**476,622**
Issuance of options	**35,000**	**11,029**	**-**	**(4,379)**	**-**	**-**	**-**	**6,650**
Issuance of warrants	**-**	**-**	**290,314**	**-**	**-**	**-**	**-**	**290,314**
Exercise of warrants	**8,575,334**	**1,555,260**	**(350,360)**	**-**	**-**	**-**	**-**	**1,204,900**
Convertion of convertible debenture	**-**	**-**	**-**	**-**	**(82,971)**	**-**	**-**	**(82,971)**
BALANCE AS AT SEPTEMBER 30, 2017	**158,874,747**	**31,836,143**	**2,351,835**	**2,052,905**	**-**	**(14,831,760)**	**1,975**	**21,411,098**
BALANCE AS AT DECEMBER 31, 2015	80,425,795	16,865,599	2,256,291	1,366,693	-	(12,366,629)	-	8,121,954
Net loss for the period	-	-	-	-	-	(436,193)	-	(436,193)
Change in fair value of other short-term financial assets	-	-	-	-	-	-	98,930	98,930
Reclassification to statements of loss	-	-	-	-	-	-	(58,930)	(58,930)
Total comprehensive loss	-	-	-	-	-	(436,193)	40,000	(396,193)
Issuance of shares net of issue costs	9,715,334	930,141	-	-	-	-	-	930,141
Effect of share-based payments	-	-	-	144,133	-	-	-	144,133
Issuance of warrants	-	-	155,590	-	-	-	-	155,590
Convertible debenture	-	-	-	-	87,000	-	-	87,000
Convertible debenture issue costs	-	-	-	-	(4,257)	-	-	(4,257)
BALANCE AS AT SEPTEMBER 30, 2016	90,141,129	17,795,740	2,411,881	1,510,826	82,743	(12,802,822)	40,000	9,038,368

The accompanying notes are an integral part of these interim condensed financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of loss

(Unaudited)

(In Canadian $)

	Three-month periods ended		Nine-month periods ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	$	$	**$**	$
Administrative expenses				
Salaries	**53,287**	86,854	**228,626**	270,477
Consultants	**3,342**	2,421	**9,287**	8,520
Share-based payments-employees (note 11)	**162,391**	41,067	**386,589**	114,926
Share-based payments-consultants	**21,463**	-	**60,300**	-
Professional fees	**13,950**	406	**28,110**	17,039
Rent	**2,447**	3,735	**7,599**	13,774
Business development	**90,301**	33,634	**261,201**	50,482
Insurance, taxes and permits	**3,321**	3,553	**10,420**	8,695
Interest and bank charges	**4,955**	11,095	**18,256**	15,959
Depreciation of property, plant and equipment	**-**	404	**-**	3,158
Office supplies	**8,740**	7,462	**20,264**	16,083
Telecommunications	**1,815**	1,296	**4,620**	4,430
Training and travel	**2,295**	2,253	**12,169**	8,636
Advertising and sponsoring	**10,107**	691	**29,057**	5,067
Shareholder's information	**10,525**	10,282	**41,917**	28,651
	388,939	205,153	**1,118,415**	565,897
Other expenses (income)				
Write-off of deferred exploration costs	**-**	-	**494,395**	-
Other exploration costs	**897**	2,557	**1,259**	19,957
Impairment of securities available-for-sale	**-**	-	**988**	-
Gain realized on sale of securities available-for-sale	**-**	-	**-**	(58,930)
Gain on disposal of other short-term financial assets	**-**	-	**-**	(24,500)
Gain on disposal of property, plant and equipment	**-**	(628)	**-**	(628)
Contractual services income	**-**	(28,000)	**-**	(80,000)
Interest income	**(31,411)**	(2,768)	**(63,201)**	(5,427)
LOSS BEFORE DEFERRED INCOME AND MINING TAXES	**(358,425)**	(176,314)	**(1,551,856)**	(416,369)
Deferred income and mining taxes	**102,350**	33,242	**84,420**	19,824
Net loss for the period attributable to shareholders	**(460,775)**	(209,556)	**(1,636,276)**	(436,193)
LOSS PER SHARE				
basic	**(0.00)**	(0.00)	**(0.01)**	(0.01)
diluted	**(0.00)**	(0.00)	**(0.01)**	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
basic	**157,831,899**	88,635,462	**137,983,262**	84,128,366
diluted	**162,330,764**	90,710,955	**143,323,516**	84,364,131

The accompanying notes are an integral part of these interim condensed financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Comprehensive Loss

(Unaudited)

(In Canadian $)

	Three-month periods ended		Nine-month periods ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	$	$	$	$
Net loss for the period	**(460,775)**	(209,556)	**(1,636,276)**	(436,193)
Items that may be reclassified subsequently to profit or loss :				
Change in fair value of other short-term financial assets	**1,975**	47,500	**(14,813)**	98,930
Gain realized on sale of securities available-for-sale	**-**	-	**-**	(58,930)
Reclassification to statements of loss	**-**	-	**988**	-
Comprehensive loss for the period attributable to shareholders	**(458,800)**	(162,056)	**(1,650,101)**	(396,193)

The accompanying notes are an integral part of these interim condensed financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Cash Flows

(Unaudited)

(In Canadian $)

	Three-month periods ended		Nine-month periods ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	$	$	**$**	$
OPERATING ACTIVITIES				
Loss before deferred income and mining taxes	**(358,425)**	(176,314)	**(1,551,856)**	(416,369)
Adjustments for:				
Depreciation of property, plant and equipment	**-**	404	**-**	3,158
Share-based payments-employees	**162,391**	41,067	**386,589**	114,926
Share-based payments-consultants	**21,463**	-	**60,300**	-
Write-off of deferred exploration costs	**-**	-	**494,395**	-
Impairment of securities available-for-sale	**-**	-	**988**	-
Gain realized on sale of securities available-for-sale	**-**	-	**-**	(58,930)
Gain on disposal of other short-term financial assets	**-**	-	**-**	(24,500)
Imputed interest of convertible debenture	**-**	4,519	**4,919**	6,226
Interest income	**(31,411)**	(2,768)	**(63,201)**	(5,427)
Interest received	**20,567**	1,937	**52,358**	4,597
	(185,415)	(131,155)	**(615,508)**	(376,319)
Net change in non-cash working capital items				
Receivables	**50,549**	(1,715)	**394**	22,316
Prepaid expenses	**65,095**	(12,058)	**(36,458)**	(10,407)
Accounts payables and accrued liabilities	**(16,793)**	25,407	**(46,233)**	(42,893)
Cash flow used in operating activities	**(86,564)**	(119,521)	**(697,805)**	(407,303)
FINANCING ACTIVITIES				
Share issue	**-**	350,050	**9,485,100**	1,216,550
Share issue expenses	**(413)**	(14,783)	**(773,510)**	(47,245)
Exercise of warrants	**448,650**	-	**1,204,900**	-
Exercise of options	**6,650**	-	**6,650**	-
Convertible debenture issue	**-**	-	**-**	300,000
Convertible debenture issue cost	**-**	-	**-**	(15,728)
Cash flow from financing activities	**454,887**	335,267	**9,923,140**	1,453,577
INVESTING ACTIVITIES				
Disposal of other short-term financial assets	**-**	-	**-**	83,430
Acquisition of property, plant and equipment	**(1,690)**	-	**(1,690)**	-
Acquisition of exploration and evaluation assets	**(644,104)**	(144,195)	**(1,812,460)**	(373,250)
Cash flow used in investing activities	**(645,794)**	(144,195)	**(1,814,150)**	(289,820)
Net change in cash and cash equivalents	**(277,471)**	71,551	**7,411,185**	756,454
Cash and cash equivalents at the beginning	**13,254,011**	1,597,058	**5,565,355**	912,155
Cash and cash equivalents at the end (note 3)	**12,976,540**	1,668,609	**12,976,540**	1,668,609
Cash and cash equivalents	**11,050,820**	1,031,850	**11,050,820**	1,031,850
Cash reserved for exploration	**1,925,720**	636,759	**1,925,720**	636,759
	12,976,540	1,668,609	**12,976,540**	1,668,609

Additional information (note 12)

The accompanying notes are an integral part of these interim condensed financial statements.

Incorporation and Nature of Operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec Companies Act on July 17, 2006, has been governed by the Business Corporations Act (Quebec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primaily include the acquisition and exploration of mining properties in Canada.

1. Basis of preparation and going concern

These interim condensed financial statements were prepared on a going concern basis, using historical costs method, except for «Other short-term financial assets» which are measured at fair value.

The Company's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties. The application of International Financial Reporting Standards « IFRS » on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

These interim condensed financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the appropriateness of the going concern assumption.

These interim condensed financial statements have been prepared by the Company's management in accordance with IAS 34, "Interim Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS. These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2016.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical judgments and accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies.

On November 16, 2017, the Company's Board of Directors approved these interim condensed financial statements for the period ended September 30, 2017.

2. Changes to accounting policies

The interim condensed financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended December 31, 2016, except for the following new accounts policies effective for annual periods beginning on or after January 1, 2017. The accounting policies have been applied consistently throughout the Company for the purposes of preparing these interim condensed financial statements.

IAS 7, Statement of Cash Flows
IAS 7, Statement of Cash Flows has been revised to incorporate amendments issued by the IASB in January 2016. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. This modification did not have impact on the interim condensed financial statements.

3. Cash and cash equivalents

As at September 30, 2017 and December 31, 2016, the cash and cash equivalents includes an account bearing a high interest rate and an account without interest are as follows:

	September 30, 2017		December 31, 2016	
	$	**Interest rate**	$	Interest rate
1) Account bearing interests	**12,444,935**	**0.75%-1.20%**	900,042	0.75%-0.80%
2) Account without interest	**531,605**	**-**	4,665,313	-
Total	**12,976,540**		5,565,355	

	September 30, 2017	December 31, 2016
	$	$
Cash	**12,976,540**	5,565,355
Less: Cash reserved for exploration	**(1,925,720)**	(138,385)
Cash and cash equivalents	**11,050,820**	5,426,970

4. Other short-term financial assets

	September 30, 2017	December 31, 2016
	$	$
Marketable securities of a quoted mining exploration companies, available-for-sale, at fair value	**7,900**	22,713

5. Receivables

	September 30, 2017	December 31, 2016
	$	$
Credit on duties refundable and refundable tax credit for resources	**69,802**	26,691
Commodity taxes and others	**86,849**	76,400
	156,651	103,091

6. Property, plant and equipment

	Leasehold improvements	Furniture and equipement	Total
Cost			
Balance as at December 31, 2016	113,126	19,675	132,801
Addition	-	1,690	1,690
Balance as at September 30, 2017	113,126	21,365	134,491
Accumulated depreciation			
Balance as at December 31, 2016	102,976	19,675	122,651
Depreciation	4,272	-	4,272
Balance as at September 30, 2017	107,248	19,675	126,923
Carrying amount as at September 30, 2017	**5,878**	**1,690**	**7,568**

Leasehold improvements and furniture and equipment are related to exploration.

7. Leases

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's vehicle expires in October 2017.

The future minimum operating lease payments are as follows:

	Minimum lease payments due :		
	Within 1 year	**1 to 5 years**	**Total**
	$	$	$
September 30, 2017	**36,636**	90,000	126,636
December 31, 2016	**41,722**	117,000	158,722

Lease fees recognized as an expense during the reporting period amount to $36,113 ($61,812 as at December 31, 2016). This amount consists of minimum lease payments. Since July 1st, 2016, the Company completed the reduction of its rental space, which resulted in an amendment to his lease and to a reduction in rental costs. The Company’s lease agreements contain renewal options.

8. Exploration assets and deferred exploration costs

	MacCormack	Chimo Mine	Wilson	Cadillac Extension	Benoist [(1)]	Fenton	Total
Percent participation	100%	100%	100%	100%	100%	Option 50 %	
	$	$	$	$	$	$	$
Mining properties							
Balance as at December 31, 2016	252,756	107,024	72,000	3,715	622,723	14,371	1,072,589
Addition	-	-	-	-	115,000	10,000	125,000
Write-offs	(45,885)	-		-	-	-	(45,885)
Balance as at September 30, 2017	**206,871**	**107,024**	**72,000**	**3,715**	**737,723**	**24,371**	**1,151,704**
Deferred exploration costs							
Balance as at December 31, 2016	3,297,601	517,046	177,769	2,195,497	2,349,809	462,451	9,000,173
Additions							
Geology	296	148,710	103,024	11,117	20,651	72,929	356,727
Drilling	-	413,542	739,639	154,344	98	9,455	1,317,078
Exploration office expenses	-	3,458	862	575	67	575	5,537
Surveying and access roads	-	81,208	24,266	2,433	10,126	-	118,033
Core shack rental and maintenance	-	7,755	2,347	775	352	1,372	12,601
Duties, taxes and permits	769	2,447	2,315	-	808	296	6,635
Depreciation of exploration leasehold improvements	-	2,764	814	-	-	694	4,272
Share-based payments - employees	-	19,475	5,798	-	-	4,460	29,733
Total expenses during the year	1,065	679,359	879,065	169,244	32,102	89,781	1,850,616
Write-off of deferred exploration costs	(448,510)	-	-	-	-	-	(448,510)
	(447,445)	679,359	879,065	169,244	32,102	89,781	1,402,106
Tax credits	-	(5,803)	(7,972)	(14,975)	(3,803)	(978)	(33,531)
Additions during the period	(447,445)	673,556	871,093	154,269	28,299	88,803	1,368,575
Balance as at September 30, 2017	**2,850,156**	**1,190,602**	**1,048,862**	**2,349,766**	**2,378,108**	**551,254**	**10,368,748**
Balance of exploration assets and deferred exploration costs as at September 30, 2017	**3,057,027**	**1,297,626**	**1,120,862**	**2,353,481**	**3,115,831**	**575,625**	**11,520,452**

All mining properties held by the Company are located in northwestern Quebec.

[(1)] The Company repurchased a 1.1% royalty on the Benoist property for $75,000 in cash and $40,000 in shares. There remains 0.1% to buy back.

9. Convertible debenture

On May 25, 2016, the Company issued for a convertible debenture in the amount of $300,000 bearing interest at 8.20 % (effective interest rate of 18 %). The debenture is convertible at the option of the holder at any time at a conversion price of $0.13 per common share. The Company may force the conversion of the principal at a price per share plus a premium of 30 % over the lesser of the following: a) the last closing price of the shares of the company before the issuance of the debenture; or b) the weighted average of shares of the Company for a period of 20 days preceding the issuance of the debenture. The debenture is repayable at par value plus accrued and unpaid interest. The debenture matures on May 25, 2021. On February 28, 2017, in agreement with the holders, the Company converted the debenture at a conversion price of $0.13 per common share. A total of 2,307,690 shares were issued for $ 300,000. In addition, accrued interest totaling $18,763 was also paid in cash. At September 30, 2017, the balance of the liability component of the convertible debenture is nil ($212,110 at December 31, 2016) and is as follows :

	September 30, 2017	December 31, 2016
Proceeds from issue	**300,000**	300,000
Liability component at the date of issue	**(213,000)**	(213,000)
Depreciation of issuance costs	**(4,029)**	-
Redemption of the debenture	**(82,971)**	-
Equity component	**-**	87,000
Liability component at the date of issue	**213,000**	213,000
Issuance costs	**(11,471)**	(11,699)
Depreciation of issuance costs	**1,727**	
Redemption of the debenture	**(212,110)**	-
	(8,854)	201,301
Interest expensed calculated at the effective interest rate of 18.0%	**8,854**	25,637
Interest payable	**(18,763)**	(14,828)
Interest paid	**18,763**	
Liability component	**-**	212,110

10. Share capital

Authorized
Unlimited number of common shares, without par value, voting and participating

	September 30, 2017		December 31,2016	
	Number	**Amount**	Number	Amount
		$		$
Balance, beginning of the period	**112,641,129**	**22,260,938**	80,425,795	16,865,599
Shares issued and paid				
Acquisition of property (n) (r)	**50,000**	**10,000**	300,000	34,250
Private placements (d) (h) (i) (j) (k) (q)	**22,250,000**	**6,007,500**	25,700,334	4,752,710
Flow-through private placements (e) (l) (o)	**12,880,000**	**3,477,600**	6,215,000	808,250
Renouncement of tax deductions (f) (m) (p)	**-**	**(772,800)**	-	(105,450)
Redemption of the debenture (g)	**2,307,690**	**300,000**	-	-
Redemption of a royalty (c)	**135,594**	**40,000**		
Exercise of options (a)	**35,000**	**11,029**		
Exercise of warrants (b)	**8,575,334**	**1,555,260**	-	-
	46,233,618	**10,628,589**	32,215,334	5,489,760
Share issue expenses	**-**	**(1,053,384)**	-	(94,421)
Balance, at end of the period	**158,874,747**	**31,836,143**	112,641,129	22,260,938

(a) During the current period, the Company issued 35,000 common shares at a price of $0.19, totalling $6,650 following exercise of options whose fair value was $0.295.

(b) During the current period, the Company issued 5,650,000 common shares at a price of $0.13, 175,000 common shares at a price of $0.14, 2,083,334 common shares at a price of $0.15 and 667,000 common shares at a price of $0.20 totalling $1,204,900 following exercise of warrants whose fair value ranged from $0.19 to $0.35.

(c) Redemption of a royalty on May 31, 2017

On May 31, 2017, the Company repurchased 0.2% from 2 investors on the Benoist property. A total of 135,594 common shares were issued for $ 40,000.

(d) Issuance of common shares on May 30, 2017

On May 30, 2017,the Company completed a private placement through Canaccord Genuity Corp and Paradigm Capital Inc. (the «agents»). The Company issued 22,250,000 shares at a price of $0.27 per share for total gross proceeds of $6,007,500. In connection with the offering, the agents received a cash commission equal to 6% of the gross proceeds received by the company and broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 18 months following the closing date. Share issue expenses totalling $651,543 were also applied against the share capital.

(e) Issuance of flow-through shares on March 20, 2017

On March 20, 2017, the Company completed a private placement through Paradigm Capital Inc («the agent»). The Company issued 12,880,000 flow-through shares at a price of $0.27 per flow-through share for total gross proceeds of $3,477,600. In connection with the offering, the agent received a cash commission equal to 7% of the gross proceeds received by the company and broker warrants, equal to 7% of the number of flow-through shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $400,522 were also applied against the share capital.

(f) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of $772,800 which has reduced the share capital and increased the liabilities related to flow-through shares.

10. Share capital (continued)

(g) Redemption of the debenture on February 28, 2017

On February 28, 2017, in agreement with the holders, the Company converted the debenture at a conversion price of $0.13 per common share. A total of 2,307,690 shares were issued for $ 300,000. In addition, accrued interest totaling $18,763 was also paid in cash.

(h) Issuance of common shares on December 22, 2016

On December 22, 2016, the Company completed a private placement for gross proceeds of $4,500,000. In total the Company issued 22,500,000 common share at a price of $0,20 per common share. Share issue expenses totalling $34,429 were also applied against the share capital.

(i) Issuance of common shares on September 2, 2016

On September 2, 2016, the Company completed a private placement for gross proceeds of $100,050. In total the Company issued 667,000 units («the units») at a price of $0,15 per unit, with each unit consisting of one common share at a price of $0.15 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of $0.20 for a period of 12 months following the closing date. The financing is presented net of the value of the related warrants, which was established at $27,347. The Company has paid Raymond James Ltd. a fee equal to 8% of the gross proceeds raised in this private placement. Share issue expenses totalling $12,922 were also applied against the share capital.

(j) Issuance of common shares on August 17, 2016

On August 17, 2016, the Company completed a private placement for gross proceeds of $150,000. In total the Company issued 1,250,000 units (the "Units") at a price of $0,12 per unit, with each unit consisting of one common share at a price of $0.12 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of $0.15 for a period of 12 months following the closing date. The financing is presented net of the value of the related warrants, which was established at $63,250. Share issue expenses totalling $4,904 were also applied against the share capital.

(k) Issuance of common shares on August 12, 2016

On August 12, 2016, the Company completed a private placement for gross proceeds of $100,000 with SIDEX, s.e.c. In total the Company issued 833,334 units at a price of $0,12 per unit, with each unit consisting of one common share at a price of $0.12 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of $0.15 for a period of 12 months following the closing date. The financing is presented net of the value of the related warrants, which was established at $36,083. Share issue expenses totalling $5,862 were also applied against the share capital.

(l) Issuance of flow-through shares on June 9 and 13, 2016

On June 9 and 13, 2016, the Company completed two tranches on a flow-through private placement totaling $416,500 with accredited investors, friends and business associates, consists of 2,975,000 flow-through common shares at $0.14 each. For the first tranche of this private placement, the Company paid a cash finder’s fee equal to 7% of the gross proceeds and issue 175,000 non-transferable warrants entitling to subscribe for 7% of the total number of the shares sold at $0.14 each common share for a period of 18 months following closing of the offering. The finder’s fee and warrants are equally split between Marquest Asset Management Inc. and Industrial Alliance Securities Inc. The offering is net of the $13,250 warrants. Share issue expenses totalling $29,636 were also applied against the share capital.

(m) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of $89,250 which has reduced the share capital and increased the liabilities related to flow-through shares.

10. Share capital (continued)

(n) Issuance of common shares on June 9, 2016

On June 9, 2016, the Company issued 250,000 common shares in vertue of the option agreement enabling it to acquire a 100% undivided interest in the Wilson project.

(o) Issuance of flow-through shares on May 10, 2016

On May 10, 2016, the Company completed a flow-through private placement with accredited investors, directors, friends and business associates and consists of 405 units for an amount of $405,000. For the flow-through private placement, each unit, at a price of $1,000 per unit, is comprised of 8,000 flow-through common shares. Thus, the following securities were issued by the Company, 3,240,000 flow-through shares at a price of $0.125 per share for an amount of $405,000. Share issue expenses totalling $4,710 were also applied against the share capital.

(p) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of $16,200 which has reduced the share capital and increased the liabilities related to flow-through shares.

(q) Issuance of common shares on May 10, 2016

On May 10, 2016, the Company completed a private placement with accredited investors, an officer and a friend and consists of 45 units for an amount of $45,000. For the private placement, each unit, at a price of $1,000 per unit, is comprised of 10,000 common shares and 10,000 warrants. Each warrant entitles the holder to subscribe for 1 common share at a price of $0.13 for a period of 24 months following the closing date. Thus, the following securities were issued by the Company, 450,000 shares at a price of $0.10 per share for an amount of $45,000. The financing is presented net of the value of the related warrants, which was established at $15,660. Share issue expenses totalling $1,958 were also applied against the share capital.

(r) On September 16, 2014, the Company amended its option agreement with SOQUEM INC. for 3 years extending the deadline to March 19, 2018.

On March 19, 2012, the Company issued 50,000 common shares in vertue of the option agreement enabling it to acquire a 50% undivided interest in the Fenton project. The Company must also incur exploration expenditures aggregating $1,500,000 by March 19, 2018 and pay 50,000 shares at each anniversary date. In addition, the Company had a firm commitment to invest $500,000 in exploration work over the first year following the signature of the agreement, which was completed over the period. The Company issued 50,000 common shares to SOQUEM INC, on the first, the second, the third, the fourth, the fifth and the sixth anniversary following the signature of the agreement. SOQUEM INC. is the operator. After the Company earns its undivided interest of 50%, SOQUEM INC. and the Company will form a joint venture. During the period, share issue expenses of $906 were applied against the share capital.

Stock Option Plan

The Company has a stock option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionnee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

10. Share capital (continued)

The following table summarizes the information about the outstanding stock options:

	September 30, 2017	
	Number	Weighted average exercise price
		$
Outstanding - Beginning	**8,970,000**	**0.16**
Granted-employees	**1,875,000**	**0.30**
Granted-consultants	**250,000**	**0.30**
Exercised	**(35,000)**	**0.19**
Expired	**(750,000)**	**0.25**
Outstanding - Beginning and End	**10,310,000**	**0.18**
Exercisable - End	**8,466,250**	**0.16**

The following table summarizes certain information for stock options outstanding and exercisable :

	Outstanding options September 30, 2017			Exercisable options September 30, 2017		
Exercise price	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**
		(years)	**$**		**(years)**	**$**
$0.10 to $0.20	**7,235,000**	**2.94**	**0.14**	**6,985,000**	**2.90**	**0.14**
$0.21 to $0.30	**3,075,000**	**3.40**	**0.28**	**1,481,250**	**2.07**	**0.27**
$0.10 to $0.30	**10,310,000**	**3.08**	**0.18**	**8,466,250**	**2.75**	**0.16**

The weighted average fair value of stock options granted during the period was estimated on the grant date using the Black-Scholes option-pricing model at $0.24 per stock option ($0.10 in 2016) using the following assumptions:

	2017	2016
Risk-free interest rate	**0.94%**	0.81%
Expected volatility	**113%**	113%
Dividend yield	**nil**	nil
Weighted average expected life	**5 years**	5 years

10. Share capital (continued)

Warrants

The following table presents the changes that occurred during the year :

	September 30, 2017		
	Number	Weighted average exercise price	Weighted average remaining contractual life
		$	(years)
Outstanding - Beginning	**8,775,334**	**0.14**	**0.49**
Granted-agent compensation options	**2,236,600**	**0.27**	**1.29**
Expired	**(8,575,334)**	**0.14**	**-**
Outstanding - End	**2,436,600**	**0.26**	**1.23**
Exercisable - End	**1,101,600**	**0.25**	**1.31**

At issuance, the warrants are subject to a 4 month and 1 day statutory hold period.

The outstanding warrants are as follows:

Maturity date	Exercise price	Number
	$	
May 2018	0.13	**200,000**
November 2018	0.27	**1,335,000**
March 2019	0.27	**901,600**
		2,436,600

The weighted average fair value of warrants granted during the period was estimated on the grant date using the Black-Scholes option-pricing model at $0.13 per warrant ($0.08 in 2016) using the following assumptions:

	2017	2016
Risk-free interest rate	**0.73%**	0.59%
Expected volatility	**100%**	119%
Dividend yield	**nil**	nil
Weighted average expected life	**1.3 year**	1.2 year

11. Employee remuneration

Employee benefits expense recognized are detailed below:	**September 30, 2017**	September 30, 2016
	$	$
Wages, salaries	**441,834**	377,290
Social security costs	**32,096**	39,568
Share-based payments-employees	**416,322**	144,133
Defined contribution pension plan	**16,960**	13,354
	907,212	574,345
Less: salaries capitalized in exploration and evaluation assets	**(246,664)**	(179,750)
Employee benefits expense	**660,548**	394,595

12. Cash flows

Additional information	**Three-month periods ended**		**Nine-month periods ended**	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
	$	$	**$**	$
Items not affecting cash and cash equivalents related to operating, financing and investing				
Shares issued for the acquisition of mining properties and royalty	**-**	-	**50,000**	34,250
Shares issued expense included in accounts payable and accrued liabilities	**-**	8,532	**10,442**	12,375
Warrants issued included in shares issued expense	**-**	-	**290,315**	-
Tax credits receivable included in deferred exploration	**-**	-	**33,531**	20,759
Depreciation of property, plant and equipment transferred to deferred exploration costs	**739**	2,944	**4,272**	12,178
Deferred exploration costs included in accounts payable and accrued liabilities	**3,505**	9,088	**79,149**	16,463
Share-based payments-employees charged to deferred exploration costs	**4,075**	5,179	**29,733**	29,207
Acquisition of property, plant and equipment	**-**	4,370	**-**	4,370

13. Financial Instruments

Objectives and policies in managing financial risks

The Company is exposed to various financial risks resulting from its operations and financing activities. The directors and officers of the Company manage those risks.

The Company does not enter into speculative derivative financial instruments.

Financial risks

The following paragraphs describe the main financial risks to which the Company is exposed and its risk management policies.

13. Financial Instruments (continued)

Interest risk

As at September 30, 2017, the Company is not exposed to interest rate risk since they are all short-term items.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the period, the Company has financed its exploration expense commitments, its working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

Credit risk analysis

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below :

	September 30, 2017	December 31, 2016
	$	$
Cash and cash equivalents	**11,050,820**	5,426,970
Cash reserved for exploration	**1,925,720**	138,385
Other short-term financial asset	**7,900**	22,713
Carrying amounts	**12,984,440**	5,588,068

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents and cash reserved for exploration is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

13. Financial Instruments (continued)

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1.

The carrying amount of cash and cash equivalents, cash reserved for exploration, accounts payables and accrued liabilities approximate fair value based on the close date.

14. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

– Two years following the flow-through placements;
– One year after the Company has renounced the tax deductions relating to the exploration work.

If the Company does not incur eligible exploration expenditures it will be required to indemnify the holders of such shares against all taxes and other expenses incurred as a result of the Company not incurring the required exploration expenses .

During the period, the Company received an amount of $3,477,600 ($821,500 as at December 31, 2016) from flow-through financings for which the Company will renounce tax deductions. The unspent balance has been presented as “Cash reserved for exploration”.

The Company renounced to tax deductions for an amount of $772,800 and management is required to fulfil its commitments before the stipulated deadline of December 31, 2017. As at September 30, 2017, the unexpended portion of $427,938 has been presented as «Liability related to flow-through shares».

15. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	September 30, 2017	September 30, 2016
	$	$
Short-term employee benefits		
Salaries and fees including bonuses and benefits	**368,336**	272,305
Social security costs and contributions to the pension plan	**39,415**	38,389
Total short-term employee benefits	**407,751**	310,694
Share-based payments-employees	**340,987**	109,196
Total remuneration	**748,738**	419,890

During the periods ended in 2017, one of key management personnel exercised 35,000 share options granted through the share-based payment plans (nil in 2016).

16. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, in regards of external rules, to any requirements regarding its capital, except in case that the Company completes a flow-through financing for which the cash must be reserved for exploration. As at September 30, 2017, the Company has $1,925,720 cash reserved for exploration ($138,385 as at December 31, 2016).

As at September 30, 2017, shareholders' equity was $21,411,098 ($13,156,768 as at December 31, 2016).

17. Subsequent events

On November 8, 2017, the Company has entered into an agreement with Sprott Capital Partners to act as the lead underwriter in connection with a bought deal underwritten private placement of 12,120,000 common shares of the Company issued on a flow-through basis at a price of $0.33 per share, for gross proceeds of $3,999,600, as well as the sale on an “best efforts” agency basis of up to 10,000,000 common shares of the Company at a price of $0.20 per common share, for gross proceeds of up to $2,000,000. The closing date is scheduled for November 30, 2017.

In connection with the offering, Sprott Capital Partners will be entitled to a cash fee in an amount equal to 6% of the gross proceeds of the offering, to be paid at closing. As additional consideration, the Company will grant to Sprott Capital Partners that number of non-transferable common share purchase warrants as is equal to 6% of the aggregate number of flow-through shares and common shares sold in the offering. Subject to regulatory approval, each broker warrant will be exercisable to acquire one common share of the Company at a price equal to $0.27 for a period of 2 years following the closing of the offering.